



Central
Records
Administration

UCC UPDATE

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*Under Revised
Article 9, the following
financing statements
are filed at Register of
Deeds offices:*

- *As extracted collateral*
- *Timber to be cut*
- *Fixtures*

Register of Deeds offices still accept certain financing statements and terminations

Under Revised Article 9, Section 9501 of the Uniform Commercial Code (UCC), the following financing statements are filed at Register of Deeds offices:

- As extracted collateral
- Timber to be cut
- Fixtures

Existing records of financing statements filed before July 1, 2001 are still maintained at the county. Secured parties who are filing section 9706 "in lieu of" financing statements with the state need access to these records. This access also allows searchers to determine the correct status of documents previously filed with the county. As of July 1, 2001, records of financing statements no longer filed at the county still need to be maintained for one year past the lapse date or until July 1, 2007, whichever is sooner.

Unless an "in lieu of" financing statement has been filed under section 9706, termination is made at the county Register of Deeds office. Revised Article 9 does not change the location for terminating financing statements. Financing statements filed with the county Register of Deeds before July 1, 2001, or for the three types of collateral stated above, may still be terminated at the county Register of Deeds. The fee for a termination statement is now \$10 for the first two debtor names listed. Each additional debtor name is an additional \$10.

Financing statement terminations and in lieu of filings

As authorized by Revised Article 9, Section 9707 (5), a financing statement filed at the county office before July 1, 2001 can be terminated at the county office. Register of Deeds offices still accept a termination statement referencing the original county filing number. Recording these terminations is critical to providing an accurate status for the collateral involved in the filing.

The state UCC office cannot directly terminate the county filing when the original financing statement is not filed with the state. Terminating a financing statement at the state office requires the secured party to file an "in lieu of" UCC1 financing statement before a UCC3 financing statement to terminate.

If a secured party files an "in lieu of" UCC1 with the state then later files a termination statement on the previous financing statement at the county Register of Deeds office, the state "in lieu of" financing statement remains effective.

The purpose of the "in lieu of" financing statement is to continue or amend a financing statement filed with a county office before July 1, 2001. The "in lieu of" filing establishes or perfects the secured interests at the state UCC office.

When an "in lieu of" financing statement is filed, it is assigned a new "initial" filing number. Any continuations or amendments at the state UCC office must reference the state issued initial filing number.

Internet access to UCC records available soon

The Michigan Uniform Commercial Code (UCC) Section will be providing Internet access for filing and searching UCC records. The new online service will provide access to UCC record information for all customers, including the farming community, financial institutions and others needing UCC information. The UCC Internet access program is in the development process, with a launch date still to be determined.

Jeopardy tax assessment can be filed at county office

Jeopardy Tax Assessment documents filed under MCL 211.693 can continue to be filed at the county Register of Deeds office. Revised Article 9 does not change the place of filing for these documents.

No change in location to file tax liens

On July 1, 2001, Revised Article 9 (RA9) changed many aspects of filing and searching UCC records. However, two statutes covering state and federal tax lien filings were not amended to change the place of filing for federal or state tax liens.

Tax liens and UCC financing statements are authorized under totally separate laws. Federal tax liens are filed under the Uniform Federal Lien Registration Act (1983 PA 102). Section 3 (MCL 211.663) prescribes the place to file tax liens:

- Personal property liens against corporations and partnerships to be filed at the Secretary of State's Office.
- Personal property liens against all others to be filed at the county.
- Tax liens upon real property to be filed at the county.

State tax liens are filed under the State Tax Lien Registration Act (1968 PA 203). Section 2 (MCL 211.682) prescribes the place to file tax liens. To accommodate RA9 certain sections of these acts were amended.

However, neither Section 3 of the Uniform Federal Lien Registration Act, nor Section 2 of the State Tax Lien Registration Act regarding place of filing were amended. Therefore, the place to file federal or state tax liens was not changed by RA9.

Similarly, there is no change in the fees charged for federal and state tax liens. Filing fees for federal tax liens remain \$3, and \$1 for state tax liens. For federal and state tax liens the search fees remain \$3 for a search and \$1 per page of copies. Unless the law is amended, the fees for state and federal tax liens remain the same as before July 1, 2001.

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